

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE (CFMAC)
Meeting Minutes
Sacramento, California
October 15, 2007**

MEMBERS PRESENT

Fred Ellrot
Russell Hall
Gene Etheridge
Edith Clark
Pompea Smith
Greta Dunlap
Howell Tumlin
John Silveira
Kurt Floren
Rick Landon
Amelia Saltsman

ALTERNATES MEMBERS

Karen Wetzel Schott
Randii MacNear

Interested Parties

Doug Hayden
Gail Hayden
Fitzgerald Kelly
Joanne Frazer

CDFA

Nate Dechoretz
Rick Jensen
Kevin Masuhara
Steve Patton
Carol Roberts

ITEM 1: ROLL CALL

The meeting was called to order at 10:05 a.m. A quorum was established and introductions were made.

ITEM 2: APPROVAL OF MARCH 26, 2007 MEETING MINUTES

The March 26, 2007 meeting minutes were approved.

MOTION: Ms. Pompea Smith moved to accept the minutes for March 26, 2007 as submitted. Ms. Greta Dunlap seconded. The motion passed unanimously.

A copy of the March 26, 2007 Meeting Minutes are attached as EXHIBIT A.

ITEM 3: APPROVAL OF AGENDA

The agenda was approved.

MOTION: Ms. Smith moved to approve the agenda for October 15, 2007. Ms. Dunlap seconded. The motion passed unanimously.

ITEM 4: OFFICER ELECTIONS

MOTION: Ms. Smith moved to nominate and appoint Mr. Gene Etheridge as Chair. Ms. Dunlap seconded. The motion passed unanimously.

MOTION: Ms. Dunlap moved to appoint Mr. Fred Ellrott as Vice Chair. Mr. John Silveira seconded. The motion passed unanimously.

ITEM 5: CDFA REPORTS-RICK JENSEN

Mr. Rick Jensen provided an update on the strategic planning grant. The goal of the strategic planning process is to develop a framework that clearly identifies how the CDFA can best administer a program to support direct marketing.

CDFA Secretary A.G. Kawamura called at approximately 10:37 a.m. and discussed the challenges California faces in regards to evasive species. According to CDFA Secretary Kawamura, California is currently dealing with no less than nine separate eradication programs throughout the state. The individual eradication projects are symptomatic of a larger problem, e.g., a lack of port surveillance. CDFA Secretary Kawamura explained that California needs federal funds to develop comprehensive port surveillance. CDFA Secretary Kawamura conveyed that he empathizes with farmers impacted by quarantines and encouraged vendors and customers to contact local, state, and federal elected officials to explain the gravity of the evasive species challenge.

Mr. Jensen provided a financial update. According to Mr. Jensen, the final budget reports for FY 2006/07 are projected to be available by mid-November 2007. The program's revenues and expenditures are balanced and the negative balance in the agriculture fund is improving.

ITEM 6: CHAIRMAN AUTHORITY REQUEST

Mr. Etheridge explained that he belongs to an entity that advises a health organization in Washington, DC and wanted to clarify that there is not a conflict of interest.

The committee took a break at 12:45 p.m. and reconvened at 1:03 p.m.

ITEM 7: AGRICULTURAL COMMISSIONER'S REPORT

Nothing to report.

ITEM 8: CHAIRMAN'S REPORT

None.

ITEM 9: NEW BUSINESS

Ms. Joan Frazer explained that as a vendor, she does not see the benefit of completing weekly load list reports. The committee subsequently discussed the need to develop a partnership between the regulatory field, market managers, and state and county authorities.

Mr. Kevin Masuhara discussed the Med fly quarantine and explained that the boundaries of the quarantine are currently being drawn.

ITEM 10: MEMBER ROUNDTABLE DISCUSSION

Mr. Russell Hall discussed the ability of markets to exclude unaccountable members. Mr. Hall also explained that it is important to reassure markets that they can exclude habitual violators from the market. The members subsequently discussed the need to raise the level of integrity for farmers' markets and establish market rules and regulations to improve accountability.

The members stressed the importance of applying due process while investigating cases of alleged farmers' market violations. According to the members, the state requires market managers to apply due process during the investigatory process. The members also addressed the need for educating and empowering market managers on the due process requirements and their right to exclude violators from farmers' markets.

Mr. Rick Jensen and Mr. Masuhara explained the Bagley-Keene Act as follows:

The "State Body" as Defined in Government Code Section 11120-11132 shall:

1. Issue a 10-day public notice (name of contact person/date/time)
2. Issue a specific agenda
3. Identify every location where members of the public may participate
4. Comply with American Disabilities Act
5. Issue every location where CFMAC members are participating from, if the meeting is via teleconference, and
6. Be audible and available to the public

ITEM 11: NEXT MEETING/AGENDA ITEMS

March 3, 2008 (it will actually be held on June 9, 2008).

ITEM 12: ADJOURNMENT

The meeting was adjourned at an unspecified time.

Respectfully submitted by:

Rick Jensen, Chief
Certified Farmers' Market Program
Inspection and Compliance Branch

EXHIBIT A

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE (CFMAC)**

**Meeting Minutes
Sacramento, California
March 26, 2007**

MEMBERS

Gene Etheridge, Chairman
Fred Ellrott
Nancy Pleibel
Joan Taramasso
Pompea Smith
Greta Dunlap
Howell Tumlin
John Silveira
Kurt Floren
Rick Landon

ALTERNATES MEMBERS

John Gibson

Interested Parties

Lance Bingham, Napa County
Dan Best
Jane Gibson
Doug Hayden

CDFA

Kevin Masuhara
Dave Carlson
Steve Patton
Susan Shelton

ITEM 1: ROLL CALL

Mr. Gene Etheridge called the Certified Farmers' Market Advisory Committee (CFMAC) meeting to order at 10:10 a.m. Mr. Kevin Masuhara called the roll and a quorum was established.

A. INTRODUCTION OF GUESTS

Introductions of the committee and guests were made.

ITEM 2: APPROVAL OF OCTOBER 2, 2006 MEETING MINUTES

The October 2, 2006 meeting minutes stated the next meeting would be May 5, 2007, it should have read March 5, 2007. The change to the minutes will be made.

MOTION: Mr. Fred Ellrott moved to approve the minutes as amended. Ms. Pompea Smith seconded. The motion passed unanimously.

ITEM 3: APPROVAL OF AGENDA

Election of officers has historically been voted on at the first committee meeting of the year. Though this is the first meeting in 2007, Mr. Masuhara stated election of officers had inadvertently been left off the agenda. It was decided this item could not be added, as action items need to be properly noticed. Nominations and election of officers will be

carried over until the next meeting. Mr. Etheridge will continue as Chair until formally replaced.

ITEM 4: CDFA REPORTS – KEVIN MASUHARA

A. REVENUE AND EXPENDITURE REPORT

A copy of CDFA Certified Farmers Market Program Revenue and Expenditures is attached to these minutes and labeled as EXHIBIT A.

The report is as of March 26, 2007, and shows actual expenses for FY 2005-06, budgeted amount for FY 2006-07, and projected actual expenses for FY 2006-07. Mr. Rick Landon asked why overhead had increased so dramatically. Mr. Masuhara explained the Program Supervisor, Supervising Inspector, and all support staff are shared between various branch programs. These charges are now reflected in the overhead charge instead of in Personal Services.

Mr. Rusty Hall requested the CFM Remittance Fee Reports be distributed at committee meetings. These reports show the number of markets and amount of fees generated for each quarter.

B. REGULATIONS UPDATE

A copy of proposed changes to Section 1392.2 of the California Code of Regulations (CCR) is attached to these minutes and labeled as EXHIBIT B.

1. MODIFICATION OF PROPOSED SECTION 1392.2 (a)

CDFA's Legal Office has recommended the proposed change to CCR Section 1392.2 (a) be slightly modified and added to 1392.2 (b) instead.

Instead of 1392.2 (a) reading:

A location approved by the county agricultural commissioner of that county where agricultural products are sold by producers directly to consumers. A certified farmers' market may only be operated by one or more certified producers, by a nonprofit organization, or by a local government agency. Said operator is legally and financially liable and responsible in all aspects of operating the certified farmers' market, including regulatory compliance requirements.

Section 1392.2 (b) would change to:

(b) Certified Farmers' Market Certificate. A certificate issued by the county agricultural commissioner authorizing the location where agricultural products are sold by the producers

directly to consumers. The certificate is valid only when bearing the original signatures of the county agricultural commissioner and the authorized representative of the certified farmers' market. Upon receipt of a certified farmers' market certificate, an operator shall assume and retain responsibility for all aspects of the operation of a certified farmers' market at the location specified, including, but not limited to, legal, financial and regulatory compliance requirements.

MOTION: Mr. Ellrott moved to make the proposed changes to Section 1392.2 as suggested by CDFA Legal Office. Ms. Nancy Pleibel seconded. The motion passed unanimously.

2. ENFORCEABILITY OF PROPOSED SECTION 1392.9 (e) and (f)

The CDFA Legal Office has expressed concerns about the ability to enforce proposed Sections 1392.9 (e) and (f). CDFA has no jurisdiction outside of the CFM, so the regulation could not be enforced.

A lengthy discussion ensued regarding concerns non-certified vendors are allowed to sell goods right next to CFMs, permitting unfair competition and degrading customer confidence. It was stated if vendors are not certified producers they are not exempt from standardized container laws. Also, these issues may possibly be addressed through the Business and Professions Code.

MOTION: Mr. Howell Tumlin moved to strike Section 1392.9 (e) and (f) from the proposed CFM regulation package. Mr. Rusty Hall seconded. The motion passed unanimously.

MOTION: Mr. Tumlin moved to formally request CDFA Legal Office provide the committee written advice on how to write a regulation that would address the concerns of non-certified vendors outside the CFM. Mr. Rusty Hall seconded. The motion passed unanimously.

C. VALIDATION OF NON-PROFIT CFM OPERATORS

CDFA recently investigated a complaint regarding a market operator that no longer had non-profit status. Mr. Masuhara found CDFA could receive a verification from the Franchise Tax Board regarding an entity's non-profit status. He proposed a letter of good standing from the Franchise Tax Board be the qualification of determining a non-profit. Concern was voiced some non-profits are not tax-exempt. Further research will be conducted on this issue.

D. ENFORCEMENT PROGRESS

Mr. Steve Patton stated CDFA has held fifteen training classes for market managers and county personnel. Twelve inspections have been completed for uniformity, and a State inspector from Southern California is being trained on CFM inspections.

A CDFA email account has been set up for all CFM issues, it is cfm@cdfa.ca.gov.

E. STRATEGIC PLANNING GRANT UPDATE

A copy of Strategic Planning: The Future of California's Direct Marketing Industry is attached to these minutes and labeled as EXHIBIT C.

The grant proposal was submitted to the United States Department of Agriculture (USDA) in February. This grant requires matching funds, and CDFA has identified \$30,000 to match the requested grant of \$30,000. The matching \$30,000 is from funds other than the CFM Program.

ITEM 5: AGRICULTURAL COMMISSIONER'S REPORT

Mr. Kurt Floren stated the counties' Standardization Subcommittee has not met since the last time CFMAC met, so there are no significant updates.

ITEM 6: CHAIRMAN'S REPORT – GENE ETHERIDGE

Mr. Etheridge stated opportunities for producers seem to be increasing. A great amount of attention is being centered on youth nutrition. Mr. Etheridge is part of Alliance For Health, a group that works with USDA on healthy lunch programs for schools. As a member of this alliance he has a voice in a national setting. The committee supported Mr. Etheridge identifying himself in this forum as a member of the California Certified Farmers' Market Advisory Committee.

ITEM 7: NEW BUSINESS – DISCUSSION ONLY

Ms. Greta Dunlap asked if there were any vacancies on the CFMAC. Presently there is one member vacancy and ten alternate member vacancies.

ITEM 8: MEMBER ROUNDTABLE DISCUSSION – GENE ETHERIDGE

Mr. Ellrott's greenhouse operation will be featured on "A Lyon in the Kitchen", a new cooking show on Discovery Health.

Mr. Hall stated he saw an article in New Hampshire about a small farmer wholesale auction. Mr. Masuhara stated standardized container laws would apply to similar venues in California.

Mr. Doug Hayden stated California is fortunate to have certified producers' certificates. They are not used in England and Canada and the difference is noticeable.

Ms. Joan Taramasso attended a meeting in the mid-90's where a global website was discussed. This website would allow certificates to be viewed and issued, etc. Mr. Masuhara stated he has run across something similar; however, it was never fully developed and there are no plans for future progress.

ITEM 9: NEXT MEETING/AGENDA ITEMS

The next meeting is scheduled at 10:00 a.m. on October 15, 2007 in Sacramento.

ITEM 10: ADJOURNMENT

The Committee adjourned at 12:28 p.m.

Respectfully submitted by:

Kevin Masuhara, Program Supervisor
Certified Farmers' Market Program
Inspection and Compliance Branch